

Women Power in Japan's Economy

By Sumiko Takahara

I served in Prime Minister Toshiki Kaifu's first Cabinet as director general of the Economic Planning Agency (EPA) for seven months from August 1989. This set quite a precedent.

Under postwar constitutional provisions, more than half of the members of a Cabinet must be members of the Diet. During a certain period after World War II non-Diet members were often named as Cabinet ministers. But ever since the Liberal Democratic Party (LDP) firmly established its hold on power in the late 1950s, there have been only a few ministers who were not professional politicians. Female Cabinet ministers were more of a rarity. I was the fifth woman minister and the first nonpolitical female Cabinet member. Thus, I played a model role and had to meet the high expectations of the Japanese people.

Women long ignored

There is more to my appointment as the director general of the Economic Planning Agency. Since the EPA directorship is equivalent to being the government spokesperson on the Japanese economy, the post is prestigious and usually goes to an influential and popular politician. Among those who have held the post are Takeo Fukuda and the late Takeo Miki, both of whom went on to become prime minister, and Toshio Komoto and Kiichi Miyazawa, both of whom have served as deputy prime minister.

Why, then, was I named to such a key portfolio? Why do you suppose the LDP, which had long ignored women and those who are not Diet members, suddenly decided to appoint someone with those twin handicaps?

One might think this was related to the LDP's disastrous defeat in the House of Councilors election in 1989, which prompted the conservative party to seek ways to regain the support of voters, above all women, by appointing a woman

to a prestigious Cabinet post. But this is not a complete explanation. I believe that the appointment reflected changes in our society: the increasing role of women in Japan's economy.

To put this statement into perspective, it may help to briefly summarize Japan's economic development since the end of World War II. Japan's economy rose phoenix-like from the ashes of the war. When the war ended, Japan's economy was in a dire state. The real GNP in 1946 had fallen to nearly half of what it had been before the war. Production in the manufacturing industries had dropped to 29% and real wages to 30% of what they had been in prewar years. It was almost impossible for workers to support themselves and their families.

It was against such a background that the then Economic Stability Administration, the predecessor of the Economic Planning Agency, worked out an emergency economic plan in June 1946 to put the nation's faltering economic house in order.

The plan was aimed at rebuilding key industries, with coal mining taking precedence. Priority was given to the use of coal in generating electric power and manufacturing iron and steel and fertilizer in what was called a "priority production system." This system succeeded in bringing Japan's industry alive again and eventually helped the nation's economy to achieve high growth in the 1960s and 1970s.

Since then, the Japanese economy has continued to expand, scarcely affected by the two oil crises in the 1970s. In the process of the postwar economic development, the emphasis switched from "recovery" to "growth." At all times, from the macroeconomic viewpoint, government priorities were naturally on the producer, who supported this growth, and not the consumer. These policies did in fact help raise Japan's per-capita income, which today is one of the highest in the world.



Sumiko Takahara (right) pictured after her speech at a women's college in Atlanta in the United States.

With this success came a change in policy. The emphasis today is not on the macroeconomy, but on improving the quality of life. Japanese society is beginning to switch from a producer-centered one to a consumer-centered one. If we compare the economy to a pie, then it is of interest to each consumer to increase his or her share of the pie. And, the pie did expand.

Quality of life

Once the share of the pie is adequate, it is only natural to become concerned about the flavor, nutritional value or sweetness of the pie. In short, people become concerned not only with their income, but with improving their quality of life. While people seek to increase the quantity of material affluence and improve the quality of life, the question being asked in Japan today is what must be done to make industry prosper and achieve even higher economic growth. Japan is now in the midst of a transformation from a society emphasizing the economy to one emphasizing the quality of life.

I would like to offer several examples of how we are refocusing. When I was a part of the Kaifu Cabinet, we emphasized that our goals would be to improve the quality of life. This was in 1989, and it was the first

time that a Japanese government had addressed the issue of improving the quality of life as a separate goal from the achievement of higher economic growth.

Another example is the fiscal 1991 industrial policy proposed by the Ministry of International Trade and Industry (MITI). MITI was originally created to promote business and industry. Therefore, it is significant to note that the first part of MITI's three-part 1991 policy emphasizes the "realization of a rich and leisurely life." This shows that even the industry-conscious MITI is now beginning to focus on the interests of consumers.

Still another step toward improving the quality of our life took place last October 31, when the Third Council for the Promotion of Administrative Reforms was organized. This advisory group is designed to recommend to the government reforms focusing on a better quality of life. I have the honor of serving as the first female member of the council. This bears witness to the growing weight given to peoples' lifestyles and the household in government policies.

In Japan, women—whatever their status—control the household purse strings. People are now less conscious of the traditional division of roles according to sex, in which men work and women stay home to look after the family. Even so, the woman is still the one who actually does the housework and manages the family budget. As Japan moves to create a society oriented toward a better lifestyle, so women carry more weight in the economy, particularly in consumption. Nearly 80% of household budgets are managed by women in Japan. The husbands in these families give their salary to their wives and receive an allowance from them.

In Japan, checks are not yet widely used and salaries are not paid by check. Salaries, which used to be handed to workers in cash, are now directly paid into their bank accounts, which are managed by the wife. The end result is that Japanese housewives have greater control than ever before over the household finances. Their power as consumers has no parallel in the world. As of 1989, Japan's gross national expenditure was approxi-

mately ¥391 trillion, with consumer spending accounting for ¥220 trillion or 56%. Women, mostly housewives, control 75% to 80% of consumer spending. It would not be an exaggeration to say that women account for almost half of Japan's economy.

Since the latter half of the 1980s, Japan has been searching for ways to achieve growth without causing friction with foreign countries. As solutions to this dilemma, various proposals have been made. Notable among them are a comprehensive market-opening package known as the Maekawa Report and a five-year economic management program (1988-1992) titled "The Japan that Lives Together with the World."

The remedies so far offered envisage common dual goals: the first is to lead Japan away from an export-oriented economy to one oriented toward domestic demand, and the second is to realize an affluent lifestyle through a restructuring of the nation's economy in such a way as to emphasize the quality of life.

In putting these remedies into a specific shape, women must play an increasingly important role, because the heart of domestic demand is consumer spending, which is controlled by women. In the

transition to an economic structure that emphasizes a better life for consumers, it is impossible to ignore women who take care of the family.

There are two major hurdles preventing ordinary Japanese people from fully sharing their country's affluence. One is the price gap between Japan and other advanced countries. Prices of household items in Tokyo are 30% to 40% higher, on average, than in New York and Hamburg. The other gap is in working hours. In fiscal 1989 the average Japanese worked 2,076 hours, 200 to 500 more hours than the average American or European, which means less time for leisure pursuits.

I have made it my personal and professional goal to overcome both of these barriers. While I was serving as its director general, the EPA released a report concerning the price gaps, which prompted the government and the ruling LDP to establish a task force, chaired by myself, for coping with the price gap issue. The group worked out a 52-point package of measures in January 1990 and put them into effect. The EPA report dared to release statistics unfavorable both to the government and the ruling party in order to arouse public awareness of the neces-



The wide range of pre-cooked foods is another boon to working women.



Availability of such services as housekeeping makes it easier for women to return to full-time jobs.

Photo: K.K. Mini Maid Service

sity of correcting the price gap. I believe that the release of such a report was possible only because a woman was at the helm of the EPA.

To realize shorter working hours, the EPA proposed that more women join the work force and more older people—those aged 55 to 64 who have reached retirement age—be employed again. The proposal was made in the "1989 National Lifestyle White Paper," issued while I was at the EPA.

In 1988 there were 16.7 million female employees in the industrial and services sectors. The number is triple what it was in 1953 (4.7 million). Over half the women in the work force are working as employees, and over one-third of all employees are women. More than half of these female employees are married. This is exactly the opposite of the situation 30 years ago. In 1960, the majority of working women were unmarried, and wives made up less than one-third of the female employees. Today, a working woman who is raising a family is becoming the rule, not the exception.

Easier housework

Another trend is the mechanization of housework thanks to the spread of electrical appliances, which has reduced the housewife's daily chores. The year 1953, when the electric washing machine was first introduced, was called "the first year of electrification" in Japan. A more revolutionary change for Japanese housewives followed with the introduction of the electric rice cooker, which spared them the hardship of getting up early well ahead of other family members to cook rice for breakfast. The washing machine and rice cooker, as well as the electric refrigerator, brought so many blessings to housewives that they practically worshiped them, to such an extent that the three appliances were jokingly called "the three sacred treasures"—a reference to the imperial regalia known by that name.

Next came the introduction of processed foods, which further lightened the burden of housework. Processed food made preparing meals easier. With the increasing use of ready-made clothing,

women were freed from hand-sewing and even the sewing machine. More lately, with the growth of the service industry to include such tasks as house-cleaning and catering services, housework has become even easier. Mechanization and the increasing reliance on the service industry has reduced household labor and enabled women to join the work force.

This trend in turn is helping to stimulate economic growth in Japan. Working women's buying of previously unvalued household services from the market so as to reduce their own housework has helped boost GNP. The spread of electrical appliances boosted the economy during the high-growth period. Now, the service market is the locomotive of our economy. The food service market such as processed foods and eating out was worth ¥23 trillion, and childcare, house-cleaning and other home services contributed an additional ¥7 trillion in 1986.

In order to reduce working hours and bring greater real affluence and comfort to Japanese society, we will need still more women in the work force. When this happens, men will be required to participate more in the household, using the free time they gain through the reduction in working hours. The introduction of the Equal Employment Opportunity Law five years ago has been changing men's dominance in the workplace, but the burden of the household chores still remains with the wife.

According to a 1986 survey, the non-working housewife does nearly eight hours of housework per day, while her husband contributes merely seven minutes to chores. Even in a dual-income family, the wife spends more than half as much time in housework (four hours and 21 minutes), and her spouse spends a meager one minute more of his time.

A husband's participation in the family can be divided into two types: 1) Helping with cooking, laundry, cleaning and other kinds of housework; 2) Sharing in family activities such as self-improvement courses, sports and other leisure activities.

In the future, burden sharing between men and women, with men participating in housework and women joining the

work force, will become the order of the day and help realize a truly affluent life.

There are three advantages to increasing men's role in the household. The first is that if men get experience of doing household chores, they will gain a greater understanding of everyday life and will be encouraged to focus on the quality of life. This in turn will enable them to manage and administer their work more properly.

The second advantage is that men will learn to relax. If equal opportunity spreads to the home, working hours will be reduced and men will be able to enjoy their free time within the home.

The third advantage is that the household can create new horizons for men. Most Japanese men are totally work-oriented. Their identity is tied to their work. Today, when these men retire, they seldom have developed outside interests or hobbies. Yet men who retire at 60 have an average of 20 years of their lives remaining, time that could be used to enjoy their leisure. If these men learn how to use free time constructively and learn how to get along at home, they will be better equipped to enjoy life in their retirement.

If we are able to attain a rich full life for men and women together, we just might lessen the trade friction with foreign countries. Here is why.

If men learn to participate in household affairs, share in purchasing decisions, and go shopping, they will get a better understanding of the consumer's view. Such a "grass-roots" movement is needed to transform our society from its focus on the producer to a focus on the consumer.

Obviously, the more time men spend at home, the less time they will spend at work. Shorter work hours for all could reduce complaints by foreign critics who feel the Japanese work too much.

Women power is essential to Japan's economic stability, the creation of a lifestyle in which the nation's wealth can be enjoyed by all, and the solving of trade friction. ■

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